

U. S. DEPARTMENT OF LABOR  
Bureau of Employment Security  
Washington 25, D. C.

Unemployment Compensation for  
Federal Employees Bulletin No. 10  
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TO: ALL FEDERAL AGENCIES

FROM: Robert C. Goodwin  
Director

SUBJECT: Federal Agency Internal Inspection or Audit of Compliance with  
UCFE Procedures

State unemployment security agencies are paying unemployment compensation totaling millions of dollars to former Federal employees, based on wage information submitted by Federal agencies. Questions have been raised by congressional committees and officials of the Bureau of the Budget as to what review of this activity is necessary to ensure the accuracy and validity of the information furnished by Federal agencies.

In UCFE Bulletin No. 9, dated August 2, 1955, we advised you of a verification program to be carried on by the State agencies. However, this verification program is based on a very small sample, and Federal agencies themselves have a responsibility for review of their UCFE operations. The Budget Bureau has suggested that each Federal agency include a review of its UCFE activities in its internal inspection or audit program.

This recommendation does not contemplate a detailed audit of each payroll card entry pertaining to the UCFE program, but rather a review by the Federal agency inspection or audit teams to see whether the UCFE procedures are being complied with. We recommend that this review be included in your regular internal inspection or audit program and that it cover the following activities:

1. Furnishing wage and separation information and annotating pay records (payroll office operations); and
2. Distribution of Standard Form 8. *Personnel*

We are attaching two outlines which we believe can easily be made a part of any internal inspection or audit instructions you may have issued. Please send us a copy of any material you develop for use in reviewing UCFE procedures.

Attachments (2)

Outline 1.

## Payroll Office Operations

## 1. Furnishing wage and separation information - Processing Forms ES-931

- a. Through inquiry and discussion with the individuals responsible for preparing the forms, ascertain whether they have adequate instructions and whether they understand the procedures and know their responsibilities.
- b. Is a control established on each incoming Form ES-931 to ensure its return within the required 4 days? Are the forms generally returned within this time limit? *see attached sheet,*
- c. Are entries on Form ES-931 concerning Federal service in item 1a correct and complete? Is an explanation given of every "No" answer? *Yes, we have no "No" answers as all our service is Federal Service,*
- d. Does the "headquarters" entry in item 1b of Form ES-931 conform to the "headquarters" or "duty station" shown on the SF-50 (or equivalent document)? *Yes,*
- e. Do the entries in items 2, 3a, and 3b of Form ES-931 relating to wages, date of separation, and expiration of terminal leave conform to the information on the related Pay Card? Do wage entries include all wages shown on the Pay Card during the period and only those wages? Are the amounts paid for lump-sum leave allocated over the period subsequent to termination for which they are paid? Are amounts paid as "retroactive salary increases" under Public Laws 68 and 94 (84th Congress) allocated to the period in which they are paid? *Yes*
- f. In case a State agency submits a Form ES-931 requesting assignment of wages for a period, any part of which has previously been assigned to another State, are entries made in item 2 of the second Form ES-931 to indicate the prior assignment of wages to another State? *Havent had a case like this before, but that is what we would do. Yes*
- g. Is the assignment of wages completely and correctly annotated on the Pay Card? *Yes,*
- h. Are the reasons for separation entered in item 3c of Form ES-931 complete and in accordance with Item 21, Remarks, of the SF-50 (or equivalent document)? *Yes,*

## 2. Replying to requests for additional information or reconsideration - Processing Forms ES-934 or letters

- a. Is the information furnished on Form ES-934 complete and in accord with facts as shown in supporting documents (the SF-50, personnel folder, etc.)? *Yes*
- b. Was any request for additional information or reconsideration necessitated because the entries on Form ES-931 were inadequate or incomplete? *We have had only a very few such requests and they were purely typing mistakes - such as leaving out the Headquarters or Duty Station,*

Outline No. 2

Distribution of Standard Form 8

*This is Personnel.*

A review should be made of the office or offices at the installation that actually distribute the Forms SF-8 to employees.

1. Through inquiry and discussion with the individuals responsible for distributing Forms SF-8, ascertain whether they have adequate instructions and whether they understand the procedures and know their responsibilities.
2. Do the SF-8's in stock carry the proper payroll office address?
3. Is an SF-8 given to each employee terminated, transferred to another payroll office, or placed on involuntary leave without pay on or before his last day of active duty, and promptly in the case of voluntary LWOP?

Outline 1.      Answers.

1.
  - b. Each form ES-931 is handled immediately upon receipt and is usually signed and mailed within 3 days of receipt in Fiscal Division.